

The Automotive Recycling Industry

Past, Present, and Future

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The History of Our Industry

- Since the days of the automobile, Auto Recyclers have been providing a service to consumers by providing spare parts as well as environmental conservation.
- From the beginning, these folks developed a dismantling process for salvage vehicles to harvest re-useable parts and components.
- ARA (The Automotive Recyclers Association) was formed back in 1943, during World War II.
- This Association was born out of adversity.
- Even back in the earliest days of automobiles, Auto Recyclers have been creative and innovative, to say the least.

Then and Now

- Throughout the years, the Auto Recycling industry has grown from the old “fly by the seat of your pants” junkyard days to a business that is unique and in some aspects, more sophisticated and scientific than many others.
- Fortunately, this industry has evolved through the hard work of many good operators.
- Consistency: the need to share the same commitment to improve our facilities. The rising tide lifts all ships.

The Present

- Let's look at our industry today, at who we are and what we do:
 - How can we improve?
 - The challenges facing us now
 - The need to consistently deliver a quality product
 - How are we perceived by others?
 - The junkyard stigma
 - Turning challenges into opportunity

Who We Are

- We are the hardest-working and the most misunderstood industry in the Automotive Sector.
- Currently, this industry can be as primitive or as sophisticated as the owner wants it to be.
- We have learned to do the most with the least.
- The OEMs: We are not an adversary, we are a viable, relevant partner.
- The rapid pace of change and evolution in our industry, just over the last 5 years.

The Ingredients for Success

- The 3 P's: People, Product, and Process
 - **People:** Employees are a company's greatest asset. No one can win without a great team.
 - **Product:** Having what the customer needs.
 - **Process:** The system that you have in place.
- Lastly, and most importantly is Leadership.

The Future

- Electric Vehicles – Will they totally replace ICE vehicles?
 - The challenges in safely dismantling and processing these vehicles
 - The need for a skilled workforce to dismantle these vehicles
 - Will we be able to acquire these vehicles?
 - What will the market be for these parts?
 - How will this affect the Insurance and Repair Industries?
- E-Commerce: The new markets that will be available and how will this change our current business model?
- Will the commission-based salesperson now become an endangered species?

The New Business Model

- Using technology and analytics to run and manage your business.
- The customer experience.
- How to use technology with a knowledgeable human to provide great customer service.
- As long as there are vehicles in use, customers will need replacement parts.
- Even in the future, people will be a company's greatest asset.

A World Without Auto Recyclers

- What will be the future of our industry?
- What would the world be like without Auto Recyclers?
- What would happen if the OEMs had to process these total-loss and end-of-life vehicles that they manufactured?
- How would this affect the Insurance and Repair Industries?
- We need to take control of our destiny.
- We need to come together to shape the future for our industry.

Associations: Why Are They Important?

- Associations represent the interests and concerns of our industry.
- They train, educate, and advocate.
- They represent us on a legislative level.
- They provide valuable training and educational resources to make our employees better.
- They also provide certification for our employees, as well as our facilities from a safety and compliance standpoint.
- This certification will be crucial going forward.
- The best operators are usually the most profitable.

In Closing:

- Remember, consistency is crucial in any business.
- Consistency + structure = a well-run, efficient operation which = more profit.
- Customer loyalty is the direct result of doing the right things consistently: Providing reliable, prompt service and a good product at a fair price.
- Your future is in your hands.
- What are you willing to do?
- The harder you work, the luckier you will get.

Thank you for inviting me to your Conference

- Q & A